

Message Text

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TAGS: ECON, EFIN, IT
SUBJECT: ITALIAN MEDIA REACTION TO BONN ECONOMIC SUMMIT

1. SUMMARY. ALTHOUGH SUMMIT RESULTS HAVE BEEN HEADLINED ACROSS PAPERS IN ITALY, PRESS COPY HAS BEEN LARGELY LIMITED TO PUBLICATION AND EXPLANATION OF FINAL COMMUNIQUE WITH LITTLE ANALYSIS OF RESULTS VIS A VIS ITALY. PUBLIC REACTION, EVEN THAT OF THE COMMUNIST PARTY (PCI), TO RESULTS HAS BEEN VERY POSITIVE. CONSENSUS THAT WESTERN DEVELOPED COUNTRIES ARE PRESENTING A UNIFIED FRONT IN FACING COMMON PROBLEMS THROUGH COLLECTIVE ACTION OR INDIVIDUAL ADJUSTMENT POLICIES. ITALIN WIDELY-HELD BELIEF IS THAT STRONGER COUNTRIES, E.G. WEST GERMANY AND JAPAN, MUST DO NORE TO PULL WEAKER COUNTIRES OUT OF THE ECONOMIC SLUMP. ITALIAN JOURNALISTS ARE UNANIMOUSLY

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HOPEFUL THAT PRESIDENT CARTER WILL SUCCEED IN HIS EFFORTS TO REDUCE OIL IMPORTS AND DOMESTIC ENERGY CONSUMPTION, EVEN GIVEN CONGRESSIONAL OPPOSITION. IN SUM, ITALIAN PRESS HAVE REACTED FAVORABLY TO THE SUMMIT BUT MORE TIME IS NEEDED FOR A REALISTIC ASSESSMENT OF LONGER TERM IMPLICATIONS. END SUMMARY.

2. ITALIAN PRESS HAS FOCUSED ON THE COMMUNIQUE ISSUED AT THE END

OF THE BONN SUMMIT CONFERENCE AND ON CHANCELLOR SCHMIDT'S NEWS BRIEFING. JOURNALISTS HAILED THE GENERAL AGREEMENT WORKED OUT AT THE SUMMIT BY THE MAJOR INDUSTRIALIZED NATIONS, EVEN THROUGH THEY RECOGNIZED THERE ARE STILL PROBLEMS OF INDIVIDUAL COUNTRIES TO BE WORKED OUT. GREATER ECONOMIC COOPERATION AND UNITY WERE EMPHASIZED ALTHOUGH DIVERGENCIES REMAIN. IL POPOLO, THE CHRISTIAN DEMOCRAT PARTY ORGAN, EXPRESSED THE GENERAL SENTIMENTS OF THE ITALIAN PUBLIC IN STATING THAT AN ANNUAL MEETING OF HEADS OF GOVERNMENT TO DISCUSS ECONOMIC POLICIES AUGURS WELL FOR MORE BALANCED ECONOMIC GROWTH. ENERGY, ENVIRONMENTAL, AND ECONOMIC PROBLEMS MUST BE COMMONLY FACED. UNIFIED RELATIONS WITH LDC'S TAKING INTO ACCOUNT THEIR PROBLEMS, ARE NEEDED.

3. THE MOST BALANCED AND NON-POLITICAL BIASED ARTICLE WAS A FRONT PAGE EDITORIAL WRITTEN BY GRAZIELLA WEISSER IN IL SOLE 24 ORE, THE LEADING MILAN ECONOMIC AND FINANCIAL DAILY. THE SUMMIT, SHE WROTE, PAVED THE WAY FOR RENEWED COOPERATIVE EFFORTS AMONG THE SEVEN MAJOR INDUSTRIALIZED NATIONS TO SEEK A CURE TO THEIR ECONOMIC MALAISE. THE COST OF FAILURE WOULD BE HIGH IN TERMS OF GREATER MONETARY DISORDER AND ESCALATION OF PROTECTIONISM. IN COMING MONTHS, INDIVIDUAL COUNTRIES COULD CONCENTRATE MORE ON FASHIONING DOMESTIC POLICIES TO PROMOTE INTERNAL ADJUSTMENT IN AN INTERNATIONAL COOPERATIVE FRAMEWORK AND WITHOUT OFTEN TIMES BITING INTERNATIONAL CRITICISM.

4. INFLATION, UNEMPLOYMENT AND HIGH ENERGY COSTS WERE CAST IN LIMITED OFFICIAL USE

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THE EDITORIAL AS THE MAJOR ECONOMIC ILLS PLAGUING WESTERN ECONOMICS. THE GENERAL AGREEMENT REACHED AT THE SUMMIT COULD PROMOTE COOPERATIVE SOLUTIONS. WESTERN EUROPE SHOULD REORGANIZE ITS INDUSTRIAL SECTOR AND ALLOW INTERNAL DEMAND TO GROW IN ORDER TO HELP BRING ABOUT GREATER ECONOMIC STABILITY. WEISSER PREDICTED THAT ECONOMIC RECOVERY FOR WESTERN EUROPE WAS A YEAR AWAY BUT BARRING ANY MAJOR ECONOMIC SHOCKS, EUROPEAN NATIONS COULD SHOULDER MORE OF THE ADJUSTMENT BURDEN.

5. THE SOCIALIST AND COMMUNIST PARTY PAPERS, AVANTI AND UNITA RESPECTIVELY, WERE SLIGHTLY MORE CRITICAL OF THE BONN ECONOMIC SUMMIT RESULTS BUT STILL POSITIVE. IN A LEAD ARTICLE IN AVANTI, RUGGERO ORLANDO OPINED THAT THE US-EC ECONOMIC POLICIES ARE LESS DIVERGENT - BOTH NOW WORKING PARI PASSU TO AID EACH OTHER'S DEVELOPMENT. HOWEVER, HE BLAMED US POLICY MAKERS FOR FAILING UP TO NOW TO CURB OIL IMPORTS WHICH CONSEQUENTLY SUPPORTED PREAILING CRUDE OIL PRICES. UNITA ACCENTED THE POSITIVE ASPECTS OF THE SUMMIT CONFERENCE, PARTICULARLY THE ACCEPTANCE OF PRINCIPLES FOR COMMON COOPERATION, THE US OBLIGATION TO REDUCE OIL IMPORTS, AND THE JAPANESE AGREEMENT TO TAKE STEPS TO LIMIT EXPORTS AND INCREASE IMPORTS. UNITA TOOK A EUROPEAN

VIEWPOINT OF THE SUMMIT RESULTS AND ITS CRITICISM WAS
VERY MUTED. OTHER LEADING LEFTIST DAILIES, ROME-BASED IL
MESSAGGERO AND PAESE SERA CRITICIZED THAT THE GENERAL AGREEMENT
MASKED UNDERLYING DIFFERENCES IN NATIONAL POLICIES BUT
AT THE SAME TIME, NOTED THAT COUNTRIES HAD AGREED TO WORK
TOGETHER IN A COORDINATED FASHION TO SOLVE THESE PROBLEMS.

6. COMMENT. ITALIAN PRESS HAS PLAYED UP THE BONN ECONOMIC
SUMMIT WITH PICTURES AND LARGE HEADLINES. THE LEADING LEFTIST
AND COMMUNIST PAPERS WERE ONLY MILDLY CRITICAL OF THE RESULTS
AND INSTEAD UNDERScoreD THE COOPERATIVE APPROACH AGREED TO AT THE
CONFERENCE TO SOLVE COMMONLY-FACED PROBLEMS. INDEPENDENT AND
CHRISTIAN DEMOCRATIC PAPERS HAILED THE SUMMIT RECORD AS AN IM-
PORTANT STEP IN FORGING A NEW UNITY AMONG WESTERN NATIONS.
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PROSPECTS ARE GOOD FOR CONTINUED ECONOMIC COOPERATION AND A
LESSENING OF TENSIONS OVER THE WEAKNESS OF THE DOLLAR AND IN-
CREASING TRADE INBALANCES. WESTERN NATIONS, ACCORDING TO
THESE PAPERS, CAN NOW WORK TOGETHER TO PRESENT A UNITED FRONT
IN DEALING WITH LDC'S AND OPEC NATIONS WHILE AT THE
SAME TIME COOPERATING IN REDUCING INFLATION AND UNEMPLOYMENT
WITHOUT RESORTING TO BEGGAR-THY-NEIGHBOR POLICIES. END
COMMENT. GARDNER

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